

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7263**

**BILL NUMBER:** HB 1411

**NOTE PREPARED:** Jan 10, 2011

**BILL AMENDED:**

**SUBJECT:** Early retirement for state employees.

**FIRST AUTHOR:** Rep. Goodin

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☐ **GENERAL**  
☐ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Establishes the state employee early retirement program (program). Provides that a state employee in the executive branch of state government who: (1) is at least 55 years of age; and (2) has at least 10 years of service; may elect, before July 1, 2012, to participate in the program. Provides that a state employee who elects to participate in the program must separate from state service within 30 days. Provides that a state employee who elects to participate in the program shall receive a lump sum payment equal to one-half of the state employee's annual salary. Provides that a state employee who elects to participate in the program is entitled to certain benefits from a state employee early retirement medical benefits account (account). Establishes the account. Establishes the state employee early retirement health benefit trust fund to fund the account. Designates the budget agency as the account administrator. Requires a state agency to make annual contributions of \$7,000 for a period of five years for an employee who elects to participate in the program. Allows the surviving spouse or dependent of a participant to receive a benefit from the account. Provides that the account may be used by a participant to pay certain medical and dental expenses that are not paid by the retirement medical benefits account. Provides that members of the public employees' retirement fund (PERF) or the Indiana State Teachers' Retirement Fund (TRF) that elect to participate in the program may receive a normal retirement benefit. Provides that a member of the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan (plan) that elects to participate in the program may receive an unreduced retirement benefit. Provides that a participant in the plan who enters the deferred retirement option program (DROP) who subsequently enters the program is not entitled to a DROP benefit. Provides that a beneficiary employee of the state police 1987 benefit system who elects to enter the program is entitled to a full basic pension benefit.

**Effective Date:** Upon passage; July 1, 2011.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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